GOVERNMENT OF INDIA
CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION
LOK SABHA

UNSTARRED QUESTION NO:326
ANSWERED ON:18.07.2017
Mustard Crushing Industry
Chandumajra Shri Prem Singh;Kushwaha Shri Ram Kumar Sharma

Will the Minister of CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION be pleased to state:

(a) whether the Indian edible oil extraction industry is facing tough competition from imported edible oils, if so, the response of the Government thereto;
(b) whether the domestic production of mustard oil has become unprofitable vis-a-vis import of edible oils, if so, the details thereof along with the reasons for the said industry becoming unprofitable;
(c) whether the oilseed extraction sector is now facing financial crisis despite the country being the largest producer of oilseeds, especially mustard seeds, if so, the reasons therefor;
(d) whether the installed capacity of mustard crushing industry is not being utilized despite availability of mustard oilseeds in the country in sufficient quantity, if so, the details thereof; and
(e) the measures undertaken by the Government to bail out the said sector from financial crisis?

Answer

MINISTER OF STATE FOR CONSUMER AFFAIRS, FOOD & PUBLIC DISTRIBUTION
(SHRI C. R. CHAUDHARY)
(a) & (b): Domestic production of oilseeds is unable to meet the requirement of raw material for the edible oil processing industry. Hence the industry has to depend on imported crude oils to meet the increasing domestic demand for edible oils in the country. In order to balance the interest of all stakeholders the Government reviews the import duty structure on imported oils from time to time. As regards to mustard oil, its present price in the domestic market makes production economically viable.
(c) & (d): Domestic production of edible oilseeds including mustard seed is unable to meet the demand of the edible oil processing industry resulting in under utilization of the installed capacity of the oilseed extraction sector.
(e): In order to increase the production and productivity of oilseeds including mustard seeds and to reduce import dependency, the Government has launched "National Mission on Oilseeds and Oil Palm" (NMOOP) since 2014-15. Under this scheme, Mini Mission-I (Oilseeds) is focused to increase production and productivity of oilseed crops including mustard in the country. Financial assistance is provided to farmers for Seed Components, Farm Implements, Inputs and Transfer of Technology. Keeping in mind the interest of edible oil extraction industry, the Government also reviews the import duty structure on edible oils from time to time.
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